

TEACHERS' RETIREMENT SYSTEM OF KENTUCKY

GARY L. HARBIN, CPA
Executive Secretary
(502) 848-8500



C. JOE HUTCHISON, MBA, CPA
Deputy Executive Secretary
(502) 848-8500

SERVING KENTUCKY TEACHERS SINCE 1940

New KTRS Health Insurance Enrollee ~For Future Reference~

**** Continuation Coverage Rights Under COBRA-General Notice ****

Introduction

This notice **ONLY** applies if you are enrolling under the Kentucky Teachers' Retirement System (KTRS) Health Plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and eligible dependants that are covered under the Plan when you would otherwise lose your group health coverage. **This notice generally explains COBRA continuation coverage, when it may become available to you and your eligible dependants, and what you need to do to protect the right to receive it.** This notice gives only a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the KTRS Insurance Division.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified COBRA beneficiary." A qualified COBRA beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, retirees and their eligible dependants may be qualified beneficiaries. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are a retiree, you will become a qualified COBRA beneficiary if you lose your coverage under the Plan because one of the following qualifying events happens:

1. Your retirement ends; or
2. You lose eligibility due to re-employment.

If you are an eligible dependant of a retiree, you will become a qualified COBRA beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

1. The retiree's retirement ends;
2. The retiree loses eligibility due to re-employment;
3. The retiree or covered spouse both become enrolled in Medicare;
4. The retiree becomes divorced;
5. A covered surviving spouse of a retiree loses eligibility;
6. The retiree or covered parent-surviving spouse dies; or
7. Eligible dependant becomes no longer eligible or no longer dependant.

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When is COBRA coverage available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the KTRS Insurance Division has been notified that a qualifying event has occurred.

You Must Give Notice of the Qualifying Event

For any qualifying event, you must notify the KTRS Insurance Division within 60 days following the date coverage ends with the exception of divorce or loss of eligible dependency which is 60 days following the date of event.

How is COBRA coverage provided?

Upon the KTRS Insurance Division's receipt of a timely notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Covered retirees may elect COBRA continuation coverage on behalf of their covered eligible spouses, and eligible covered parents may elect COBRA continuation coverage on behalf of their eligible covered dependants. For each qualified COBRA beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost.

COBRA continuation coverage is a temporary continuation of coverage that may last for up to 36 months with the exception of retirement and re-employment related qualifying events, which generally may last up to 18 months.

When COBRA continuation coverage lasts for up to 18 months, there are two ways in which this 18-month period of COBRA continuation coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or an eligible dependant covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage, and you notify the KTRS Insurance Division in a timely fashion, you and your eligible dependants may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability must last at least until the end of the 18-month period of continuation coverage.

Second qualifying event extension of 18-month period of continuation coverage

If you and your eligible dependants experience another qualifying event while receiving 18 months of COBRA continuation coverage, there may be additional months of COBRA continuation coverage available to your eligible dependants, up to a maximum of 36 months. **In all of these cases, you must make sure that the KTRS Insurance Division is notified of the second qualifying event within 60 days of the second qualifying event.**

If You Have Questions

If you have questions about your COBRA continuation coverage, you should contact the KTRS Insurance Division or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's web site at www.dol.gov/ebsa.

Keep Your Plan Informed of Address Changes

In order to protect your rights and the rights of your eligible covered dependants, you should keep the KTRS Insurance Division informed of any changes in address. You should also keep a copy, for your records, of any notices you send to the KTRS Insurance Division.

Plan Contact for Further Information

Kentucky Teachers' Retirement System Health Plan
Insurance Division
479 Versailles Road
Frankfort KY 40601
502-848-8500
800-618-1687